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HB658 Circuit Breaker Property Tax Credits

	2009	2010	2011	2012
Homeowner Credits	\$82.587	\$93.270	\$101.995	\$108.054
Renter Credits	<u>\$28.002</u>	<u>\$28.537</u>	<u>\$29.082</u>	<u>\$29.637</u>
Total Expenditure Authorized	\$110.588	\$121.806	\$131.077	\$137.691

Funding for HB658 Circuit Breaker Property Tax Credit

	2009	2010	2011	2012
Additional Revenue From State Mill:	\$7.532	\$16.225	\$24.186	\$31.225
Existing Elderly Credit	<u>\$9.811</u>	<u>\$9.811</u>	<u>\$9.811</u>	<u>\$9.811</u>
Total Funding in HB658	\$17.343	\$26.035	\$33.997	\$41.036

Additional Funding Needed for HB658 Circuit Breaker Property Tax Credit

	2009	2010	2011	2012
Total Additional Funded Needed	-\$93.246	-\$95.771	-\$97.080	-\$96.655



Discussion of Individual Home Examples

The following examples are intended to show how individual taxpayers are impacted by the various mitigation bills. These examples are intended to illustrate how effective each bill is at mitigating reappraisal at the individual home level, and are used in the broader analysis of each proposal.

There is a large range of homes in the state of Montana, both in terms of values and the change in value due to reappraisal. Each value of home has a large range of taxpayers, so it is impossible to choose one example that represents the typical taxpayer. Therefore, this analysis uses statistical benchmarks such as median values and percentage deciles to represent a broad range of typical Montana taxpayer illustrations.

The first example shows the average value home and the average income. This is just the sum of all the home values divided by the number of homes. The average income is the sum of all reported income divided by the number of individual income tax returns.

Percentile of Home Value, the Median Income

The next five examples were chosen based on the concept of percentiles. The 10th percentile represents the data point where 10% of the observations are below that point and 90% of the observations are above that point. To define the range of home values used as examples the 10th percentile, the 25th percentile, the 50th percentile (or median), the 75th percentile and the 90th percentile were used. This represents the distribution of value of homes that are in the state. In each of these homes, there is a range of taxpayers. The first five examples use the median income for homeowners whose homes are worth within \$1,000 of that percentile value. This shows how the taxpayer with income at the midpoint for each value home is treated under each proposal.

Percentile of Home Value, 10th Percentile of Income

The second 5 examples uses the same values for property value, but shows the homeowner at the 10th percentile of income. This means that 10% of the people in each value of home reported less than this level of income. It is these taxpayers that will benefit most from a circuit breaker.

Change in Value Due to Reappraisal

The next 6 examples reflect the distribution in the change in home value due to reappraisal. Brackets were defined based on the change in value percentile.

The first group of homes represents properties that had little or no change in value due to reappraisal. The percent change in value due to reappraisal then increases in each subsequent bracket. Once these brackets were defined, the median value home in each bracket was used as the example home for that bracket. The income for these examples is the median reported income for taxpayers that own a home that had a change in value in that same bracket. The homes that change less than the statewide average will see the largest benefit from a reduction the tax rate and an increase in the exemption level.

The Other Examples

The rest of the examples are examples that were presented to the Joint Select Committee on Reappraisal. They include the median value home from a recreation county, and the income is the median income for homeowners in that county. There are two examples of high value homes and then also two examples of businesses that are class 4 commercial property. The business examples also show the property taxes paid for a business with class 8 business equipment.

These examples are intended to be representative of property taxpayers across the state. While the home values and incomes were chosen based on statistical principles, they are hypothetical situations. The property tax paid will vary depending on local mills and fees, and income may change because of a change in the taxpayer's economic situation.

HB 658 Individual Home Examples

Assumptions:	Homestead Exemption = 34% Homestead (all years) Phased-in Comstead	Taxable Value Exemption: Variable
	Circuit Breaker illustrations below assume that the circuit breaker component is fully funded, though the bill may not provide full funding as written.	

Example of an Average Value Home					
MV Before Reappraisal	\$116,900				
MV After Reappraisal	\$178,920				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$116,900	\$132,405	\$147,910	\$163,415	\$178,920
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$39,746	\$45,018	\$50,289	\$55,561	\$60,833
Taxable Market Value	\$77,154	\$87,387	\$97,621	\$107,854	\$118,087
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,322	\$2,622	\$2,929	\$3,236	\$3,543
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$152	\$281	\$434	\$609
Net Taxable Value	\$2,322	\$2,470	\$2,647	\$2,802	\$2,933
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,250	\$1,329	\$1,437	\$1,530	\$1,617
2009 Income (FAGI)	\$74,759	\$74,759	\$74,759	\$74,759	\$74,759
% of Income Paid Before CB	1.67%	1.78%	1.92%	2.05%	2.16%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$1,250	\$1,329	\$1,437	\$1,530	\$1,617
% of Income Paid After CB	1.67%	1.78%	1.92%	2.05%	2.16%

Percentile of Home at Median Income

Example of a Home at the 10th Percentile of Value, Income at the Median Level for this Value Home					
MV Before Reappraisal	\$15,890				
MV After Reappraisal	\$19,113				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$15,890	\$16,696	\$17,502	\$18,307	\$19,113
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$5,403	\$5,677	\$5,951	\$6,224	\$6,498
Taxable Market Value	\$10,487	\$11,019	\$11,551	\$12,083	\$12,615
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$316	\$331	\$347	\$362	\$378
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$19	\$33	\$49	\$65
Net Taxable Value	\$316	\$311	\$313	\$314	\$313
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$170	\$168	\$170	\$171	\$173
2009 Income (FAGI)	\$32,180	\$32,180	\$32,180	\$32,180	\$32,180
% of Income Paid Before CB	0.53%	0.52%	0.53%	0.53%	0.54%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$170	\$168	\$170	\$171	\$173
% of Income Paid After CB	0.53%	0.52%	0.53%	0.53%	0.54%

Example of a Home at the 25th Percentile of Value, Income at the Median Level for this Value Home					
MV Before Reappraisal	\$51,600				
MV After Reappraisal	\$75,686				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$51,600	\$57,622	\$63,643	\$69,665	\$75,686
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$17,544	\$19,591	\$21,639	\$23,686	\$25,733
Taxable Market Value	\$34,056	\$38,030	\$42,004	\$45,979	\$49,953
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,025	\$1,141	\$1,260	\$1,379	\$1,499
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$66	\$121	\$185	\$258
Net Taxable Value	\$1,025	\$1,075	\$1,139	\$1,195	\$1,241
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$552	\$578	\$618	\$652	\$684
2009 Income (FAGI)	\$40,592	\$40,592	\$40,592	\$40,592	\$40,592
% of Income Paid Before CB	1.36%	1.42%	1.52%	1.61%	1.69%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$552	\$578	\$618	\$652	\$684
% of Income Paid After CB	1.36%	1.42%	1.52%	1.61%	1.69%

Example of the Median (50th Percentile) Value Home, Income at the Median Level for this Value Home

MV Before Reappraisal	\$98,400				
MV After Reappraisal	\$156,100				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$98,400	\$112,825	\$127,250	\$141,675	\$156,100
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$33,456	\$38,361	\$43,265	\$48,170	\$53,074
Taxable Market Value	\$64,944	\$74,465	\$83,985	\$93,506	\$103,026
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,955	\$2,234	\$2,520	\$2,805	\$3,091
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$130	\$242	\$376	\$532
Net Taxable Value	\$1,955	\$2,104	\$2,278	\$2,429	\$2,559
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,052	\$1,132	\$1,237	\$1,326	\$1,411
2009 Income (FAGI)	\$54,689	\$54,689	\$54,689	\$54,689	\$54,689
% of Income Paid Before CB	1.92%	2.07%	2.26%	2.43%	2.58%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$1,052	\$1,132	\$1,237	\$1,326	\$1,411
% of Income Paid After CB	1.92%	2.07%	2.26%	2.43%	2.58%

Example of a Home at the 75th Percentile of Value, Income at the Median Level for this Value Home

MV Before Reappraisal	\$148,500				
MV After Reappraisal	\$237,300				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$148,500	\$170,700	\$192,900	\$215,100	\$237,300
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$50,490	\$58,038	\$65,586	\$73,134	\$80,682
Taxable Market Value	\$98,010	\$112,662	\$127,314	\$141,966	\$156,618
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,950	\$3,380	\$3,819	\$4,259	\$4,699
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$196	\$367	\$571	\$808
Net Taxable Value	\$2,950	\$3,184	\$3,453	\$3,688	\$3,890
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,588	\$1,713	\$1,875	\$2,014	\$2,145
2009 Income (FAGI)	\$71,371	\$71,371	\$71,371	\$71,371	\$71,371
% of Income Paid Before CB	2.22%	2.40%	2.63%	2.82%	3.00%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$4
Final Property Tax	\$1,588	\$1,713	\$1,875	\$2,014	\$2,141
% of Income Paid After CB	2.22%	2.40%	2.63%	2.82%	3.00%

Example of a Home at the 90th Percentile of Value, Income at the Median Level for this Value Home

MV Before Reappraisal	\$217,600				
MV After Reappraisal	\$344,500				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$217,600	\$249,325	\$281,050	\$312,775	\$344,500
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$73,984	\$84,771	\$95,557	\$106,344	\$117,130
Taxable Market Value	\$143,616	\$164,555	\$185,493	\$206,432	\$227,370
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$4,323	\$4,937	\$5,565	\$6,193	\$6,821
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$286	\$534	\$830	\$1,173
Net Taxable Value	\$4,323	\$4,650	\$5,031	\$5,363	\$5,648
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$2,326	\$2,502	\$2,731	\$2,928	\$3,114
2009 Income (FAGI)	\$89,810	\$89,810	\$89,810	\$89,810	\$89,810
% of Income Paid Before CB	2.59%	2.79%	3.04%	3.26%	3.47%
Circuit Breaker (CB) Credit	\$0	\$0	\$37	\$234	\$419
Final Property Tax	\$2,326	\$2,502	\$2,694	\$2,694	\$2,694
% of Income Paid After CB	2.59%	2.79%	3.00%	3.00%	3.00%

Percentile of Homes, 10th Percentile of Income

**Example of a Home at the 10th Percentile of Value,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$15,890				
MV After Reappraisal	\$19,113				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$15,890	\$16,696	\$17,502	\$18,307	\$19,113
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$5,403	\$5,677	\$5,951	\$6,224	\$6,498
Taxable Market Value	\$10,487	\$11,019	\$11,551	\$12,083	\$12,615
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$316	\$331	\$347	\$362	\$378
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$19	\$33	\$49	\$65
Net Taxable Value	\$316	\$311	\$313	\$314	\$313
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$170	\$168	\$170	\$171	\$173
2009 Income (FAGI)	\$7,768	\$7,768	\$7,768	\$7,768	\$7,768
% of Income Paid Before CB	2.19%	2.16%	2.19%	2.21%	2.22%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$170	\$168	\$170	\$171	\$173
% of Income Paid After CB	2.19%	2.16%	2.19%	2.21%	2.22%

**Example of a Home at the 25th Percentile of Value,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$51,600				
MV After Reappraisal	\$75,686				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$51,600	\$57,622	\$63,643	\$69,665	\$75,686
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$17,544	\$19,591	\$21,639	\$23,686	\$25,733
Taxable Market Value	\$34,056	\$38,030	\$42,004	\$45,979	\$49,953
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,025	\$1,141	\$1,260	\$1,379	\$1,499
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$66	\$121	\$185	\$258
Net Taxable Value	\$1,025	\$1,075	\$1,139	\$1,195	\$1,241
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$552	\$578	\$618	\$652	\$684
2009 Income (FAGI)	\$10,648	\$10,648	\$10,648	\$10,648	\$10,648
% of Income Paid Before CB	5.18%	5.43%	5.81%	6.12%	6.42%
Circuit Breaker (CB) Credit	\$0	\$259	\$299	\$333	\$365
Final Property Tax	\$552	\$319	\$319	\$319	\$319
% of Income Paid After CB	5.18%	3.00%	3.00%	3.00%	3.00%

**Example of the Median (50th Percentile) Value Home,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$98,400				
MV After Reappraisal	\$156,100				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$98,400	\$112,825	\$127,250	\$141,675	\$156,100
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$33,456	\$38,361	\$43,265	\$48,170	\$53,074
Taxable Market Value	\$64,944	\$74,465	\$83,985	\$93,506	\$103,026
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,955	\$2,234	\$2,520	\$2,805	\$3,091
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$130	\$242	\$376	\$532
Net Taxable Value	\$1,955	\$2,104	\$2,278	\$2,429	\$2,559
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,052	\$1,132	\$1,237	\$1,326	\$1,411
2009 Income (FAGI)	\$15,578	\$15,578	\$15,578	\$15,578	\$15,578
% of Income Paid Before CB	6.75%	7.27%	7.94%	8.51%	9.06%
Circuit Breaker (CB) Credit	\$0	\$665	\$769	\$859	\$943
Final Property Tax	\$1,052	\$467	\$467	\$467	\$467
% of Income Paid After CB	6.75%	3.00%	3.00%	3.00%	3.00%

**Example of a Home at the 75th Percentile of Value,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$148,500				
MV After Reappraisal	\$237,300				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$148,500	\$170,700	\$192,900	\$215,100	\$237,300
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$50,490	\$58,038	\$65,586	\$73,134	\$80,682
Taxable Market Value	\$98,010	\$112,662	\$127,314	\$141,966	\$156,618
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,950	\$3,380	\$3,819	\$4,259	\$4,699
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$196	\$367	\$571	\$808
Net Taxable Value	\$2,950	\$3,184	\$3,453	\$3,688	\$3,890
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,588	\$1,713	\$1,875	\$2,014	\$2,145
2009 Income (FAGI)	\$20,668	\$20,668	\$20,668	\$20,668	\$20,668
% of Income Paid Before CB	7.68%	8.29%	9.07%	9.74%	10.38%
Circuit Breaker (CB) Credit	\$0	\$1,093	\$1,255	\$1,394	\$1,500
Final Property Tax	\$1,588	\$620	\$620	\$620	\$645
% of Income Paid After CB	7.68%	3.00%	3.00%	3.00%	3.12%

**Example of a Home at the 90th Percentile of Value,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$217,600				
MV After Reappraisal	\$344,500				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$217,600	\$249,325	\$281,050	\$312,775	\$344,500
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$73,984	\$84,771	\$95,557	\$106,344	\$117,130
Taxable Market Value	\$143,616	\$164,555	\$185,493	\$206,432	\$227,370
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$4,323	\$4,937	\$5,565	\$6,193	\$6,821
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$286	\$534	\$830	\$1,173
Net Taxable Value	\$4,323	\$4,650	\$5,031	\$5,363	\$5,648
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$2,326	\$2,502	\$2,731	\$2,928	\$3,114
2009 Income (FAGI)	\$20,242	\$20,242	\$20,242	\$20,242	\$20,242
% of Income Paid Before CB	11.49%	12.36%	13.49%	14.46%	15.38%
Circuit Breaker (CB) Credit	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Final Property Tax	\$2,326	\$1,002	\$1,231	\$1,428	\$1,614
% of Income Paid After CB	11.49%	4.95%	6.08%	7.05%	7.97%

Examples with Different Percent Changes in Value due to Reappraisal

The statistics below refer to the percent change in market value due to reappraisal. For example, the statistic below shows that 10% of properties had a change in market value of less than 6.5%. The example homes refer to the median home in the group of homes that had a change in market value of 6.5% or less.

10th Percentile	6.50%
25th Percentile	30.74%
50th Percentile	52.32%
75th Percentile	73.65%
90th Percentile	95.86%

The Median Home that Appreciated less than 6.50%, Median Income of Homeowners within Bracket

MV Before Reappraisal	\$15,670				
MV After Reappraisal	\$14,396				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$15,670	\$14,396	\$14,396	\$14,396	\$14,396
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$5,328	\$4,895	\$4,895	\$4,895	\$4,895
Taxable Market Value	\$10,342	\$9,502	\$9,502	\$9,502	\$9,502
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$311	\$285	\$285	\$285	\$285
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$17	\$27	\$38	\$49
Net Taxable Value	\$311	\$269	\$258	\$247	\$236
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$168	\$144	\$140	\$135	\$130
2009 Income (FAGI)	\$41,871	\$41,871	\$41,871	\$41,871	\$41,871
% of Income Paid Before CB	0.40%	0.35%	0.33%	0.32%	0.31%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$168	\$144	\$140	\$135	\$130
% of Income Paid After CB	0.40%	0.35%	0.33%	0.32%	0.31%

The Median Home that Appreciated between 6.50% and 30.74%, Median Income of Homeowners within Bracket

MV Before Reappraisal	\$61,510				
MV After Reappraisal	\$73,700				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$61,510	\$64,558	\$67,605	\$70,653	\$73,700
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$20,913	\$21,950	\$22,986	\$24,022	\$25,058
Taxable Market Value	\$40,597	\$42,608	\$44,619	\$46,631	\$48,642
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,222	\$1,278	\$1,339	\$1,399	\$1,459
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$74	\$129	\$187	\$251
Net Taxable Value	\$1,222	\$1,204	\$1,210	\$1,211	\$1,208
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$658	\$648	\$657	\$661	\$666
2009 Income (FAGI)	\$48,422	\$48,422	\$48,422	\$48,422	\$48,422
% of Income Paid Before CB	1.36%	1.34%	1.36%	1.37%	1.38%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$658	\$648	\$657	\$661	\$666
% of Income Paid After CB	1.36%	1.34%	1.36%	1.37%	1.38%

The Median Home that Appreciated between 30.74% and 52.32%, Median Income of Homeowners within Bracket

MV Before Reappraisal	\$117,900				
MV After Reappraisal	\$168,700				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$117,900	\$130,600	\$143,300	\$156,000	\$168,700
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$40,086	\$44,404	\$48,722	\$53,040	\$57,358
Taxable Market Value	\$77,814	\$86,196	\$94,578	\$102,960	\$111,342
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,342	\$2,586	\$2,837	\$3,089	\$3,340
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$150	\$272	\$414	\$575
Net Taxable Value	\$2,342	\$2,436	\$2,565	\$2,675	\$2,766
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,261	\$1,311	\$1,393	\$1,460	\$1,525
2009 Income (FAGI)	\$58,430	\$58,430	\$58,430	\$58,430	\$58,430
% of Income Paid Before CB	2.16%	2.24%	2.38%	2.50%	2.61%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$1,261	\$1,311	\$1,393	\$1,460	\$1,525
% of Income Paid After CB	2.16%	HB 658 2.24%	2.38%	2.50%	2.61%

**The Median Home that Appreciated between 52.32% and 73.65%,
Median Income of Homeowners within Bracket**

MV Before Reappraisal	\$113,000				
MV After Reappraisal	\$183,100				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$113,000	\$130,525	\$148,050	\$165,575	\$183,100
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$38,420	\$44,379	\$50,337	\$56,296	\$62,254
Taxable Market Value	\$74,580	\$86,147	\$97,713	\$109,280	\$120,846
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,245	\$2,584	\$2,931	\$3,278	\$3,625
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$150	\$281	\$439	\$624
Net Taxable Value	\$2,245	\$2,435	\$2,650	\$2,839	\$3,002
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit					
Breaker Credit	\$1,208	\$1,310	\$1,439	\$1,550	\$1,655
2009 Income (FAGI)	\$58,466	\$58,466	\$58,466	\$58,466	\$58,466
% of Income Paid Before CB	2.07%	2.24%	2.46%	2.65%	2.83%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$1,208	\$1,310	\$1,439	\$1,550	\$1,655
% of Income Paid After CB	2.07%	2.24%	2.46%	2.65%	2.83%

**The Median Home that Appreciated between 73.65% and 95.86%,
Median Income of Homeowners within Bracket**

MV Before Reappraisal	\$102,677				
MV After Reappraisal	\$188,500				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$102,677	\$124,133	\$145,589	\$167,044	\$188,500
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$34,910	\$42,205	\$49,500	\$56,795	\$64,090
Taxable Market Value	\$67,767	\$81,928	\$96,088	\$110,249	\$124,410
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,040	\$2,458	\$2,883	\$3,307	\$3,732
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$143	\$277	\$443	\$642
Net Taxable Value	\$2,040	\$2,315	\$2,606	\$2,864	\$3,090
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit					
Breaker Credit	\$1,098	\$1,246	\$1,415	\$1,564	\$1,704
2009 Income (FAGI)	\$56,824	\$56,824	\$56,824	\$56,824	\$56,824
% of Income Paid Before CB	1.93%	2.19%	2.49%	2.75%	3.00%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$1,098	\$1,246	\$1,415	\$1,564	\$1,704
% of Income Paid After CB	1.93%	2.19%	2.49%	2.75%	3.00%

**The Median Home that Appreciated by Greater than 95.86%,
Median Income of Homeowners within Bracket**

MV Before Reappraisal	\$91,000				
MV After Reappraisal	\$193,663				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$91,000	\$116,666	\$142,332	\$167,997	\$193,663
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$30,940	\$39,666	\$48,393	\$57,119	\$65,845
Taxable Market Value	\$60,060	\$76,999	\$93,939	\$110,878	\$127,818
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,808	\$2,310	\$2,818	\$3,326	\$3,835
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$134	\$271	\$446	\$660
Net Taxable Value	\$1,808	\$2,176	\$2,548	\$2,881	\$3,175
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit					
Breaker Credit	\$973	\$1,171	\$1,383	\$1,573	\$1,750
2009 Income (FAGI)	\$54,406	\$54,406	\$54,406	\$54,406	\$54,406
% of Income Paid Before CB	1.79%	2.15%	2.54%	2.89%	3.22%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$118
Final Property Tax	\$973	\$1,171	\$1,383	\$1,573	\$1,632
% of Income Paid After CB	1.79%	2.15%	2.54%	2.89%	3.00%

Example of a Median Value Home in a Recreation County

MV Before Reappraisal	\$150,450				
MV After Reappraisal	\$326,600				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$150,450	\$194,488	\$238,525	\$282,563	\$326,600
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$51,153	\$66,126	\$81,099	\$96,071	\$111,044
Taxable Market Value	\$99,297	\$128,362	\$157,427	\$186,491	\$215,556
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,989	\$3,851	\$4,723	\$5,595	\$6,467
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$223	\$453	\$750	\$1,112
Net Taxable Value	\$2,989	\$3,628	\$4,269	\$4,845	\$5,354
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,609	\$1,952	\$2,318	\$2,645	\$2,952
2009 Income (FAGI)	\$59,297	\$59,297	\$59,297	\$59,297	\$59,297
% of Income Paid Before CB	2.71%	3.29%	3.91%	4.46%	4.98%
Circuit Breaker (CB) Credit	\$0	\$173	\$539	\$866	\$1,173
Final Property Tax	\$1,609	\$1,779	\$1,779	\$1,779	\$1,779
% of Income Paid After CB	2.71%	3.00%	3.00%	3.00%	3.00%

Example of a \$500,000 Home

MV Before Reappraisal	\$300,000				
MV After Reappraisal	\$500,000				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$102,000	\$119,000	\$136,000	\$153,000	\$170,000
Taxable Market Value	\$198,000	\$231,000	\$264,000	\$297,000	\$330,000
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$5,960	\$6,930	\$7,920	\$8,910	\$9,900
Taxable Value Exemption	0%	0.0%	0.0%	0.0%	0.0%
Amount Exempt	\$0	\$0	\$0	\$0	\$0
Net Taxable Value	\$5,960	\$6,930	\$7,920	\$8,910	\$9,900
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$3,207	\$3,729	\$4,300	\$4,864	\$5,458
2009 Income (FAGI)	\$200,547	\$200,547	\$200,547	\$200,547	\$200,547
% of Income Paid Before CB	1.60%	1.86%	2.14%	2.43%	2.72%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$3,207	\$3,729	\$4,300	\$4,864	\$5,458
% of Income Paid After CB	1.60%	1.86%	2.14%	2.43%	2.72%

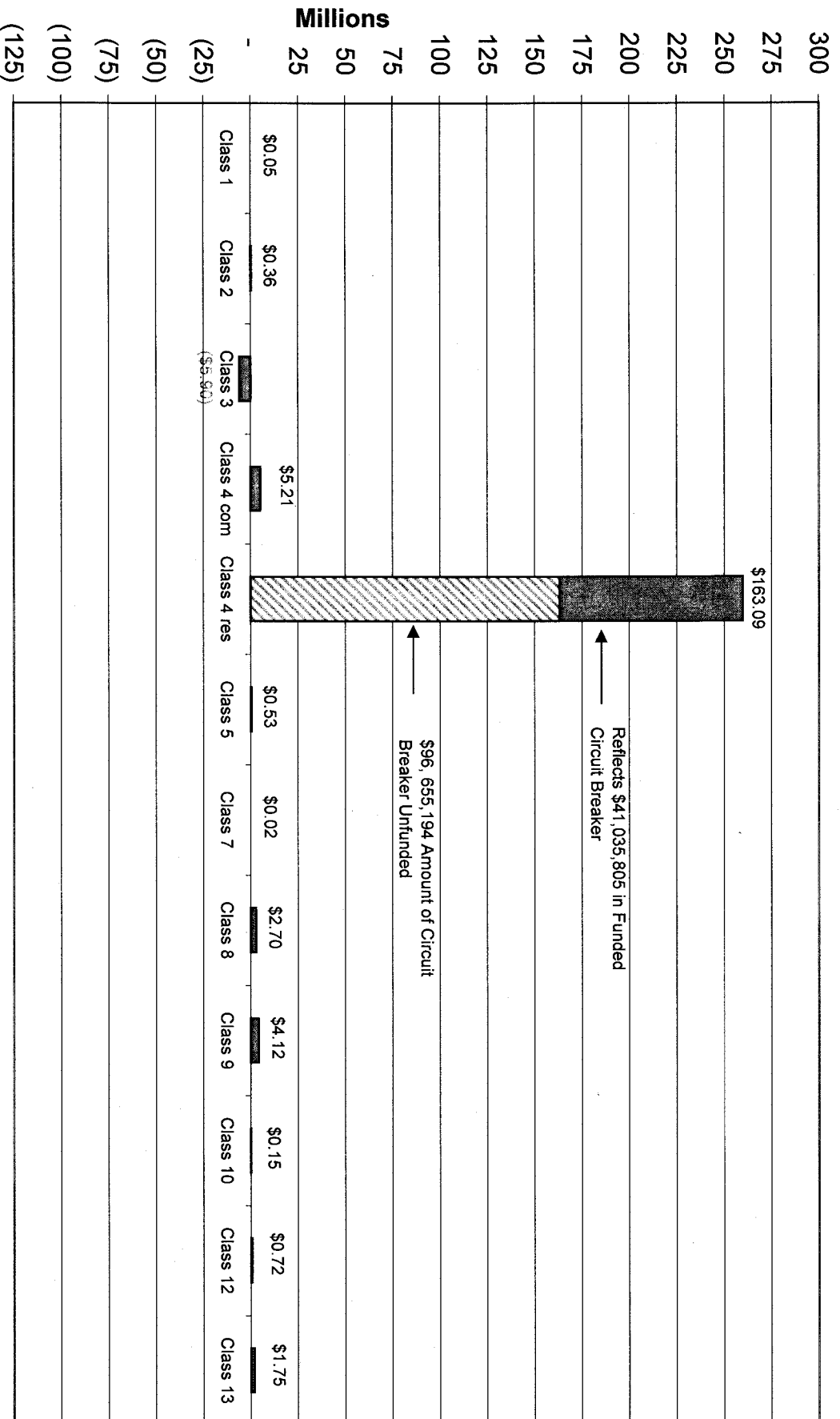
Example of a \$1,000,000 Home

MV Before Reappraisal	\$650,000				
MV After Reappraisal	\$1,000,000				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$650,000	\$737,500	\$825,000	\$912,500	\$1,000,000
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$221,000	\$250,750	\$280,500	\$310,250	\$340,000
Taxable Market Value	\$429,000	\$486,750	\$544,500	\$602,250	\$660,000
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$12,913	\$14,603	\$16,335	\$18,068	\$19,800
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$847	\$1,568	\$2,421	\$3,406
Net Taxable Value	\$12,913	\$13,756	\$14,767	\$15,646	\$16,394
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$6,950	\$7,401	\$8,017	\$8,542	\$9,038
2009 Income (FAGI)	\$477,527	\$477,527	\$477,527	\$477,527	\$477,527
% of Income Paid Before CB	1.46%	1.55%	1.68%	1.79%	1.89%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$6,950	\$7,401	\$8,017	\$8,542	\$9,038
% of Income Paid After CB	1.46%	1.55%	1.68%	1.79%	1.89%

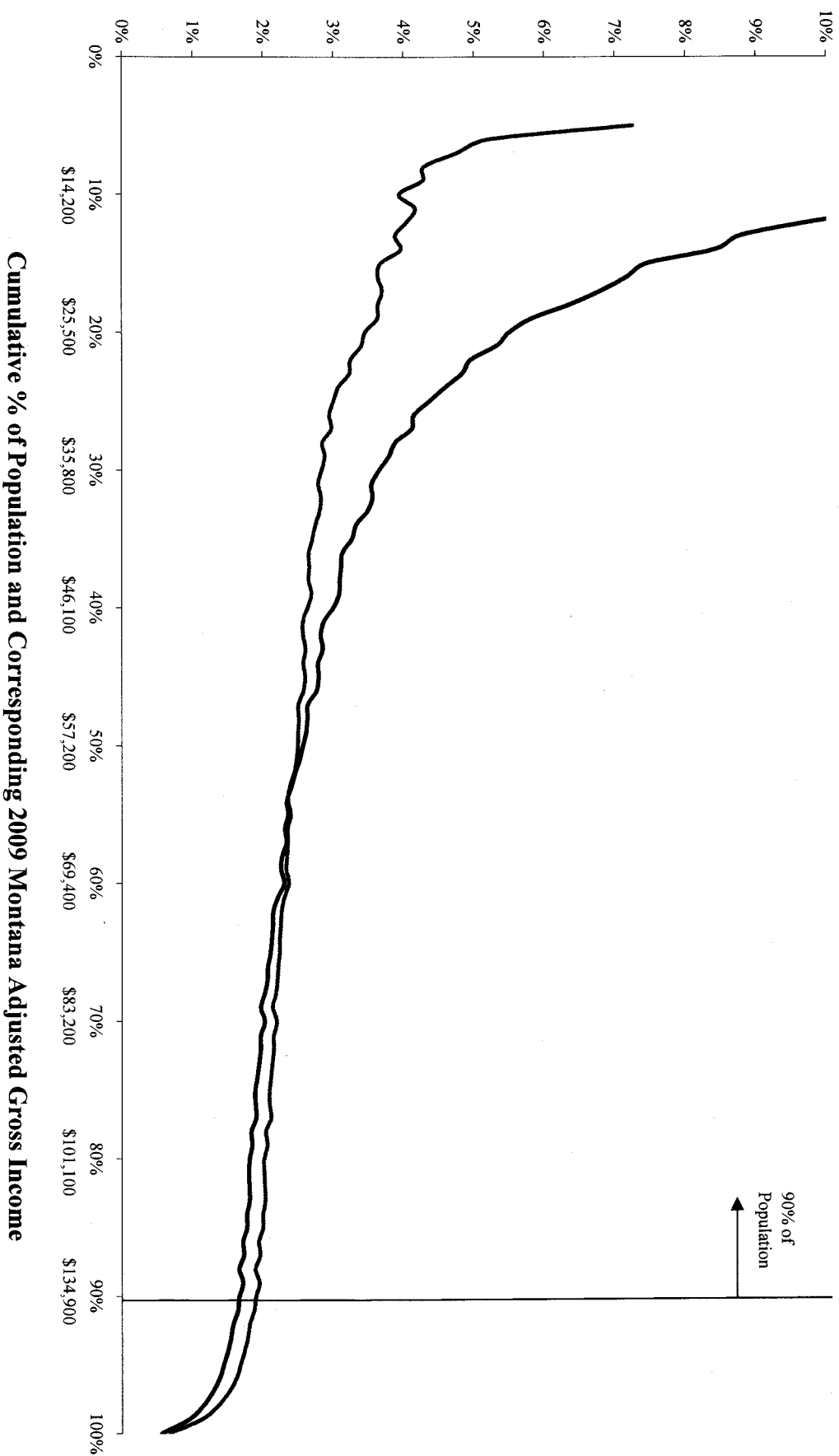
Example of a Business with \$200,000 in Class 4 and \$100,000 in Class 8					
MV Before Reappraisal	\$150,000				
MV After Reappraisal	\$200,000				
MV of Class 8	\$100,000				
Tax Year	2008	2009	2010	2011	2012
Class 4					
Market Value (MV)	\$150,000	\$162,500	\$175,000	\$187,500	\$200,000
Comstead	15.00%	22.00%	28.00%	33.00%	37.50%
Amount Exempt	\$22,500	\$35,750	\$49,000	\$61,875	\$75,000
Taxable Market Value	\$127,500	\$126,750	\$126,000	\$125,625	\$125,000
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Taxable Value	\$3,838	\$3,803	\$3,780	\$3,769	\$3,750
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability	\$2,065	\$2,046	\$2,052	\$2,058	\$2,067
Class 8					
Market Value	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Tax Rate	3.00%	3.00%	3.00%	3.00%	3.00%
Taxable Value	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability	\$1,615	\$1,614	\$1,629	\$1,638	\$1,654
Total Tax Liability	\$3,680	\$3,660	\$3,681	\$3,695	\$3,721
Example of a Business with \$400,000 in Class 4 and \$100,000 in Class 8					
MV Before Reappraisal	\$300,000				
MV After Reappraisal	\$400,000				
MV of Class 8	\$100,000				
Tax Year	2008	2009	2010	2011	2012
Class 4					
Market Value (MV)	\$300,000	\$325,000	\$350,000	\$375,000	\$400,000
Comstead	15.00%	22.00%	28.00%	33.00%	37.50%
Amount Exempt	\$45,000	\$71,500	\$98,000	\$123,750	\$150,000
Taxable Market Value	\$255,000	\$253,500	\$252,000	\$251,250	\$250,000
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Taxable Value	\$7,676	\$7,605	\$7,560	\$7,538	\$7,500
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability	\$4,131	\$4,092	\$4,104	\$4,115	\$4,135
Class 8					
Market Value	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Tax Rate	3.00%	3.00%	3.00%	3.00%	3.00%
Taxable Value	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability	\$1,615	\$1,614	\$1,629	\$1,638	\$1,654
Total Tax Liability	\$5,745	\$5,706	\$5,733	\$5,753	\$5,788

HB658

Difference in Property Taxes Paid by Property Tax Class Existing Properties TY2012 4th Year Phase-In Local Mills Increase, State Mill Constant



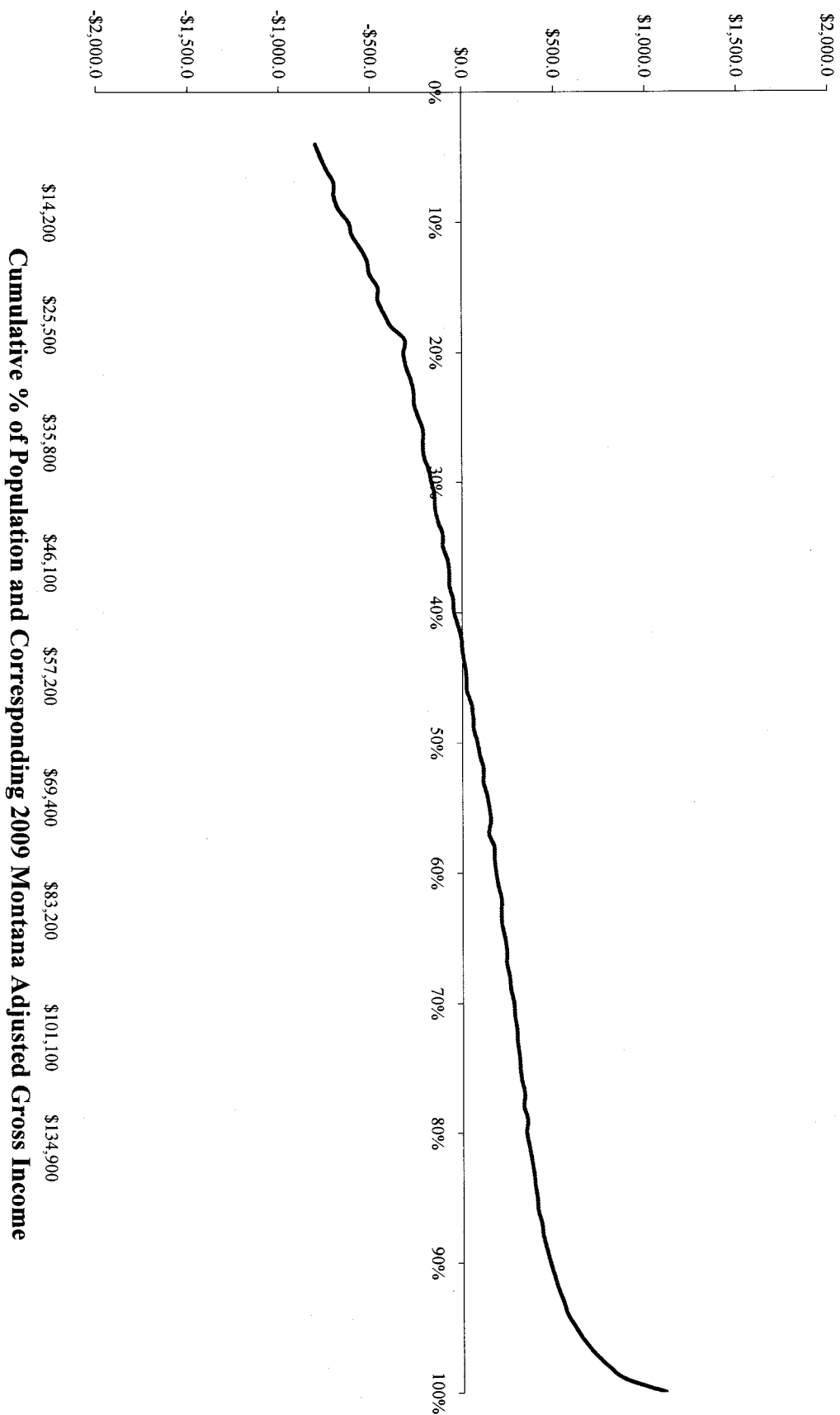
**Average HB 658 Property Taxes After Credit as a Percent of Income
Households Who Claimed the \$400 Property Tax Rebate**



Cumulative % of Population and Corresponding 2009 Montana Adjusted Gross Income

— 2008 — 2012

**Average HB658 Property Taxes after Credit, Difference from 2008
Households Who Claimed the \$400 Property Tax Rebate**



— 2012